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**ARIZONA REAL ESTATE ADVISORY BOARD**  
2910 N. 44TH STREET, SUITE 110  
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January 10, 2008

The Honorable Janet Napolitano  
Governor of Arizona  
1700 West Washington Street, 9<sup>th</sup> Floor  
Phoenix, Arizona 85007

Dear Governor Napolitano:

The Arizona Real Estate Advisory Board is pleased to render this annual report to you as part of our statutory duties and responsibilities. We have summarized herein the major activities and events that have impacted the Arizona Department of Real Estate and its stakeholders in 2007.

We are pleased to report that our new Commissioner Sam Wercinski immediately engaged the Industry, the Public and Department staff in meaningful dialog which has led to good public policy and progress at the Department of Real Estate. The Commissioner and his entire staff have continued to take strong steps to meet the challenges in the Real Estate Industry throughout the state.

The Department has continued a proactive and effective outreach to and involvement of its stakeholders. The stakeholders have responded positively and with enthusiasm to extensive ongoing participation in the reworking of major areas of the Departments activities. This continued and enhanced cooperation and participation has produced very positive results and has allowed the Department to handle their workloads as efficiently and effectively as possible while maintaining positive ties with the stakeholders and the public.

Under the leadership of Commissioner Wercinski the communication between "regulator" and "regulated" remains at a high level, with a spirit of mutual respect and cooperation. With the support of the Commissioner, the Advisory Board has continued to have a positive relationship with staff and has participated in policy, liaison, personnel and legislative matters on behalf of the Department to the benefit of both the Department and the Stake Holders.

Commissioner Wercinski initiated several new outreach programs that are designed to better the Public through education of the Public and the Industry. He visited all fifteen Arizona counties twice this year with his Community Outreach and Education program. He hosts quarterly open dialog meetings for the Public and the Industry. He invited his peers from Insurance, Financial Institutions, and the Registrar of Contractors to join him in the first Consumer Protection Forum, and will continue to host these forums throughout the State.

SAM WERCINSKI  
COMMISSIONER



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The Honorable  
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These forums are an open dialog venue for consumers to bring forth any problems they may have experienced in regard to real estate transactions, and are educational for the Public and the Industry.

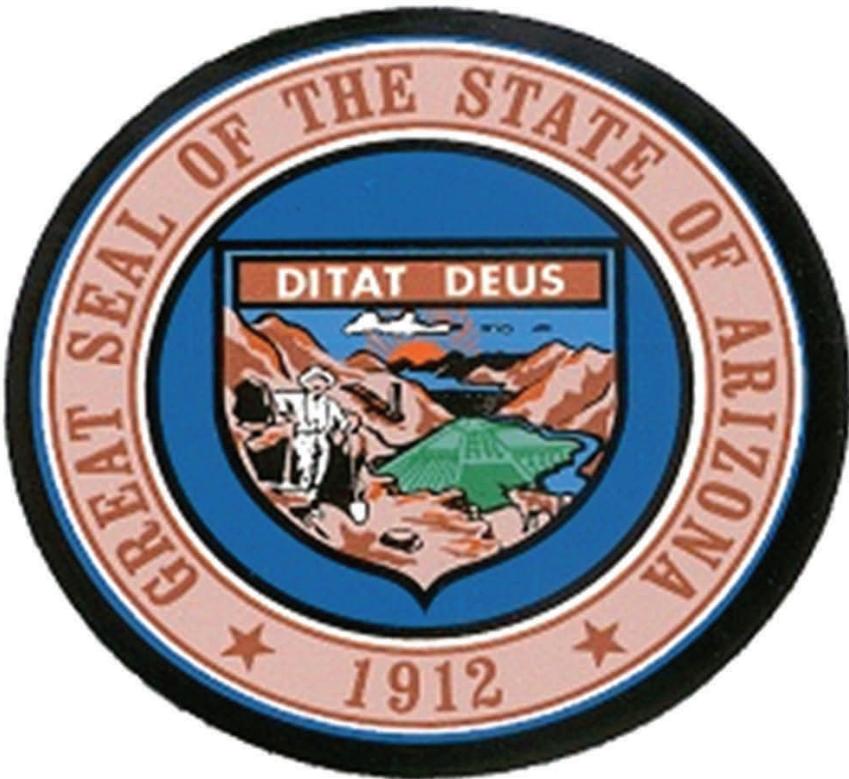
The success of the Department since Commissioner Wercinski's arrival is also evidenced by the amazing statistics. In January 2007, the average processing time for a licensing renewal was around 63 days. New efficiencies were created through internal procedure changes, and as a result this processing time decreased to same day service within six months. Development Investigators close more cases than cases opened. Despite a total of 187 new development investigation cases since Commissioner Wercinski's arrival, pending caseload has been reduced from 161 on January 1st to 129 on November 30<sup>th</sup>. Investigator performance increased 25% between November 2006 and November 2007. Despite a total of 551 new enforcement cases since Commissioner Wercinski's arrival on January 11, 2007, Enforcement pending caseload has been reduced from 540 on January 1st to 295 on November 30th.

Even with the current real estate market slowing, we expect the long term real estate industry in Arizona to continue at a very active level which will require vigilant oversight, judicious regulation and enhanced industry involvement. The Advisory Board believes that, given steady and adequate funding, the Department of Real Estate and Commissioner Wercinski along with his staff, are well positioned to meet the challenges of the industry over the foreseeable future.

Respectfully Submitted,

Gary P. Brasher  
Chairman

# **REAL ESTATE ADVISORY BOARD**



**2007 ANNUAL REPORT  
TO THE GOVERNOR**

## **Summary of ADRE Accomplishments for Fiscal Year 2007**

In the following pages I have outlined a number of initiatives and programs which the ADRE is currently working on or have accomplished during the last year.

- **Licensee Expiration Alerts distributed electronically Monthly-** Monthly e-mails are now sent out alerting licensees of pending expirations instead of postcards to remind licensees of upcoming renewals. This has not only resulted in a cost savings to the Department, but has also shortened the time frame for notification of licensees.
- **VIP-Virtual Information Processing-** This started as a pilot program in February of 2007 to process applications for a new brokerage electronically via e-mail and paperless. The pilot program was so successful it is now being implemented on a widespread basis.
- **Utilize Volunteers in Licensing-** The ADRE partnered with the Arizona Association of Realtors to provide two volunteers to the Department during the fourth quarter of fiscal year 2007. The two volunteers were able to process an additional 100 applications per week. The Southern Arizona Homebuilders Association provided a volunteer in the Tucson office over this past summer. The volunteer was able to relieve staff time which in turn allowed the Development Services representative to devote more time to Public Report applications. This is a wonderful example of “thinking out of the box” in a fashion that allows industry to help the Department in a manner that helps process applications more quickly and efficiently, while at the same time resulting in a cost savings to the Department.
- **Develop first edition of ADRE Business Plan-** At the request of Commissioner Wercinski, each branch of the Department submitted a 6-month, 12-month, 4-year, and 10-year business plan including a vision statement. Although this is a fluid document and changes will be made to it as necessary, it demonstrates a generalized vision and blueprint for the Department leading well into the future.

## **ACCOMPLISHMENTS (CONTINUED)**

- **Streamlined License Application Processing-** Applications that cannot be completed online are now processed immediately. Previously licensees had to wait on a first-come-first-served basis by coming into the department and using a drop box. At one point the processing time was approximately 8 weeks. Now, only applications that cannot be completed online are put into the first-come-first-served file and will be processed in that order. There are computer stations in the licensing lobby for licensees to use if they decide to complete their application online rather than using the drop box. This improves customer service and creates fairness with applications from rural areas.
- **Community Outreach and Education (COE)-** the Commissioner launched a robust program of Triple C (Commissioner's Community Conversation) meetings as well as COE throughout the state of Arizona with both stakeholders, and the public. The COE bring education and awareness to the Industry and the consumer. A calendar has been created at [www.azre.gov](http://www.azre.gov). These sessions are held in locations convenient for the public, county officials and other stakeholders to attend and provide input on a variety of ADRE policies and goals.
- **Encourage Community Service-** The Commissioner feels it is critical for staff at the Department to also volunteer to other worthy causes. ADRE provided 15 volunteers from the Department for Governor's 2-1-1 Initiative .Other worthwhile events that the Department has participated in have been the "Pack the Bus" campaign and the SECC-Clay Target Fund Shoot.
- **Stakeholder's meeting-** In addition to Community outreach and Education referenced above, the Department implemented a variety of stakeholder meetings on a variety of ADRE initiatives. The Department received very positive feedback and valuable input at these meetings. In addition, these sessions give stakeholders a real voice on matters that affect them and their business.

## **ACCOMPLISHMENTS (CONTINUED)**

- **Electronic license certificates**- This program was implemented as a way to allow licensees to obtain their certificates on-line. Since this program was started it has saved the Department crucial resources that were used to pay for a temp in the Licensing division.
- **Tuesdays for processing mailed applications**- The Department re-serves Tuesday as a day where they serve the rural communities. This serves the dual purpose of allowing staff to be more efficient since they are not being distracted, and allows stakeholders to know the set day each week which is scheduled for sending out applications. The industry embraced this initiative.
- **Northern Presence**- A six month pilot program was initiated in October 2007 whereby Coconino County provided the Department with the opportunity have a “temporary” office in the County building. Department staff travel to Flagstaff once a month to provide a myriad of services to the public and the industry.
- **Foster Mutual Respect**- Commissioner Wercinski created a workplace known for Mutual Respect. Respect for fellow workers, the industry they oversee, and the public they serve. In an email dated 3/1/07, Tom Farley of AAR wrote, “The Department seems to be taking a much different approach under the new Commissioner that is getting noticed. The AAR is also reaching out to the ADRE as well.” We’ve also heard from various stakeholder groups that many positive things are being said about the Commissioner and the Department. The Commissioner is stressing that policy changes and advancements must include input and consider the public, the industry and ADRE before final decisions are made.”
- **Reorganizing Department to Improve Efficiencies and Protect the Public**- the Commissioner has been working hard to improve efficiencies so that staff can focus on the areas of real need, and less on busy work. Making the Department efficient within the boundaries of the financial resources which are allocated while continuing to protect the public, is a major focus of the Commissioner and the Department as a whole.

## **ACCOMPLISHMENTS (CONTINUED)**

In summary, the Advisory Board is pleased to report that the Commissioner and the ADRE staff have performed admirably and have managed, through creative problem solving and creating more efficiency in the workplace, to fulfill their mission. The creative initiatives, public outreach, stakeholder input, and staff involvement implemented by the Commissioner, the Department is well positioned to fulfill the demands of the Real Estate industry throughout the state.

As always, should you have any questions, the Advisory Board stands ready to help in any manner we can to fulfill our charge both to the Governor's office, the Arizona Department of Real Estate and the public.

Sincerely,

Gary P.Brasher  
Chairman  
Governor's Real Estate Advisory Board